BRITISH COLUMBIA
The Best Place on Earth

BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 09-46 November 20th, 2009

- **BC's inflation rate at -0.6% in October**
- **More British Columbians donate to charity in 2008**
- **Manufacturing sales up 2.1% in September**

Prices

- **British Columbia's year-over-year inflation rate was down (-0.6%) for the fifth consecutive month in October, due mostly to lower costs for energy and shelter.** The cost of energy remained substantially lower than in October of last year (-11.3%), but the difference was less marked than in the previous month (-16.3% in September). Had energy been removed from the equation, the provincial rate of inflation would have stood at +0.4%, rather than its actual decline of 0.6%. With notably lower costs for fuel oil (-26.7%) and piped gas (-15.5%), BC residents paid 3.2% less for shelter than in October of last year. Home owners experienced a substantial decrease (-4.5%), with lower costs associated with insurance premiums (-7.5%). However, a 6.5% increase in homeowners' maintenance & repairs costs and a 6.2% rise in property taxes slowed the decline in the shelter price index. Meanwhile, overall costs for accommodation were up 1.6% for renters

  On a monthly basis, gasoline prices decreased 5.8% from September to October 2008. As such, costs remained substantially below those recorded in October of last year. This helped maintain lower transportation (-4.1%) costs last month, as vehicle owners continued to pay significantly less (-14.7%) to fill up their tanks. Consumers also paid less to purchase (-3.7%) and operate (-5.2%) a motor vehicle. Conversely, British Columbians saw food prices rise 1.9%, reflecting increases in the cost of food purchased from stores (+1.8%) as well as restaurant meals (+2.2%). Health & personal care (+1.5%) prices were also higher as were costs for clothing & footwear (+1.3%).

  In general, BC residents paid less for durable (-1.7%) and non-durable (-2.1%) goods, while prices for services (+0.0%) were unchanged from October of 2008.

  The inflation rates in both Vancouver (-0.6%) and Victoria (-0.5%) were generally on par with that for the province as a whole.

  Data Source: Statistics Canada

- **The national rate of inflation was 0.1% last month, up a full percentage point from September (-0.9%).** Like in BC, deflation of energy prices slowed, but remained 13.3% lower than in the same month of 2008. Excluding energy, Canada's CPI rose 1.4%, with costs for food (+2.3%) and household operations (+6.1%) among those exerting upward pressure on the overall index.

  Consumer prices were higher in six provinces in October. Inflation rates in Quebec and New Brunswick (each +0.5%) were significantly higher than the national average, while the cost of goods and services in PEI (-0.8%) were down most notably from October of last year. *Data Source: Statistics Canada*

The Economy

- **Wholesale merchants' sales in BC inched down in September (-0.6% *seasonally adjusted*), marking the third consecutive month of decreases.** Canadian sales edged up 0.2%, as declines in most provinces were offset by gains in Ontario (+1.2%) and parts of Atlantic Canada. Every western province saw wholesales slip, with the biggest drop re-

Report British Columbia's International Travel Account

Did you know...

Most British Columbians prefer to give (90%) gifts than to receive (10%) them. *Source: Ipsos Canada*

corded in Saskatchewan (-4.1%).

Data Source: Statistics Canada

- **Manufacturing sales in British Columbia climbed 2.1% (*seasonally adjusted*) in September.** Non-durables manufacturing got a substantial boost (+4.2%) as a result of stronger sales from producers of food (+4.6%), plastics & rubber (+6.2%) and printing (+25.2%) products. Makers of leather (+8.4%) and beverage & tobacco (+2.0%) goods also made gains, although the paper industry faired less favourably (-0.4%). Increased sales figures for the primary metals (+1.6%), machinery (+5.1%) and transportation equipment (+13.4%) industries were unable to offset drops in shipments from wood (-2.4%) and non-metallic mineral (-2.5%) producers, leaving manufacturing sales of durables relatively flat (-0.1%) in September.

  Nationally, sales were ahead 1.4% over August, with the transportation industry (+16.4%) reporting the largest gains. Among the provinces, manufacturers in Saskatchewan (+16.1%) led the way, as a result of a later-than-normal harvest this year.

  Data Source: Statistics Canada

- **The number of travellers entering Canada via British Columbia remained relatively stable (-0.1%, *seasonally adjusted*) in September.** Following three straight months of summer drop-offs, the downward trend in the number of American visitors came to a halt (+0.8%) as overnight travellers from South of the border were more prevalent (+1.4%) than in August. Overseas entries, on the other hand, were 2.9% lower in September with fewer visitors coming from nearly every continent. The number of travellers from Europe (-5.4%) decreased most markedly. *Data Source: Statistics Canada & BC Stats*

Saving

- **The number of taxfilers in BC reporting investment income jumped 2.9% in 2008, as investment earnings climbed (+15.4%) to nearly $9.5 billion.** The 42% of tax filers in BC reporting investment income was the highest ratio in the country, as was the reported median of $810 in earnings from investment. Among census metropolitan areas, Victoria ($1,000) recorded by far the highest median investment income, followed by Kelowna ($890) and Vancouver ($810).

  Nationally, 37% of tax filers had investment income in 2008 and the number of those investors rose (+0.2%) along with income invested (+9.7%). With the exception of Quebec, which saw a 6.6% decline in number of investors, every province recorded a rise in both the number and investment earnings of people with investment income. Nationwide, the median amount of investment income was $630 last year. *Data Source: Statistics Canada*

Giving

- **British Columbians reported over $1.2 billion in charitable donations in 2008, 5.6% less than in 2007.** Despite the overall decline in dollar contribution, more people opened their wallets, with the actual number of donors rising 3.0% to nearly 730,000. Twenty-three percent of total tax filers in BC claimed a donation, slightly below the national average of 24%; however, the median amount donated per person in BC ($340) was well above the national median ($250). With 27% of tax filers claiming donations, Manitoba led the country, while at just 10%, Nunavut had the smallest percentage of tax filers that gave, the lowest rate last year. Despite the low donor percentage, those that did give to charities in Nunavut were some of the most generous in the country with a median donation of $500.

  Among the nation's census metropolitan areas (CMAs), tax filers in Abbotsford reported by far the highest median donation ($600) in the country for the sixth year in a row. Kelowna was a distant second with a median of $380, slightly ahead of Vancouver ($350) and Victoria ($340). *Data Source: Statistics Canada*

***Infoline** Issue: 09-46*
November20th, 2009

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

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originally published in
Tourism sector Monitor Issue 09-09

British Columbia's International Travel Account

Introduction

A recent survey[1] suggests that British Columbians are the "worldliest" in North America. This survey considered the geographical knowledge and travel habits among residents of Canada and the US. This article presents a general overview of travel practices between BC[2], the US and other international destinations. In particular, financial investment and expenditure outside of BC is highlighted.

BC's international travel account

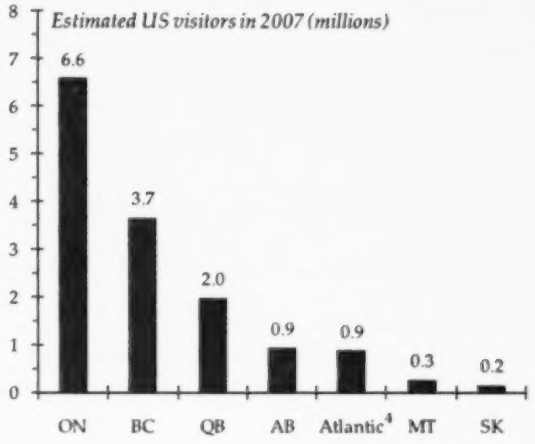
Most of us keep a mental "piggy bank" of our income and *outgo* in order to track expenditure and savings. Similarly, it is possible to assess the state of BC's provincial piggy bank with respect to international travel. That is, British Columbians spend cash during travels outside the province—the *outgo*—while other international travellers spend some of their own (foreign) cash within the province—the income.

This exchange of capital is monitored nationally through Statistics Canada's international travel survey[3] (ITS)—questionnaires distributed and collected by border patrol officers upon arrival of returning/departing travellers. The survey tracks persons, their associated spending and trip characteristics. Specifically, spending by US residents and persons from other countries within Canada (considered *international travel receipts*), as well as spending by Canadian residents outside its borders (called *international travel payments*).

BC's international travel receipts

Our neighbours to the south have a major influence on the amount of cash-flow entering the country. 2007 saw BC as the second-most visited province in Canada by US residents staying one or more nights.

In 2007, 25% of US visitors to Canada (staying one or more nights) came to BC



Data Source: Statistics Canada

The 3.7 million visitors (compared to first-place Ontario's 6.6 million) spent an average of 4 nights in the province, while spending roughly $140 per night. The total influx for 2007 was estimated at $1.8 billion. Most (52%) visits, as expected, came from the Pacific US (Washington, Oregon and California) and were for the purpose of pleasure, recreation or holiday (66%). Very few (2%) stayed for more than two weeks. Instead, the preferred (65%) length of stay was two to six nights. Same-day visits from the US, however, have been slowing down.

1 *"British Columbians worldliest in North America: survey"*, available online from: http://www.canada.com/news/national/British+Columbians+worldliest+North+America+survey/1878057/story.html

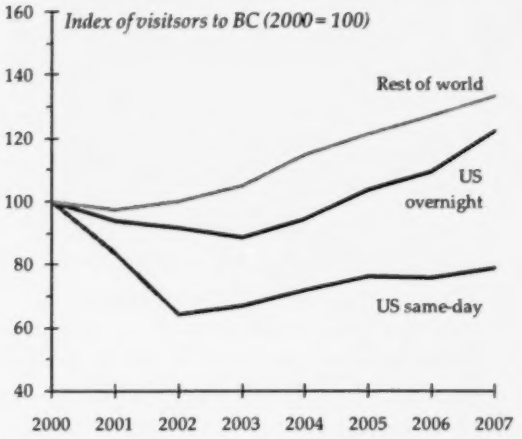
2 BC includes Yukon, Northwest and Nunavut territories.

3 International Travel, Catalogue no. 66-201-XWE, Statistics Canada, available online from: http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?catno=66-201-X

4 Atlantic includes the Atlantic provinces of Newfoundland & Labrador, New Brunswick, Nova Scotia & Prince Edward Island.

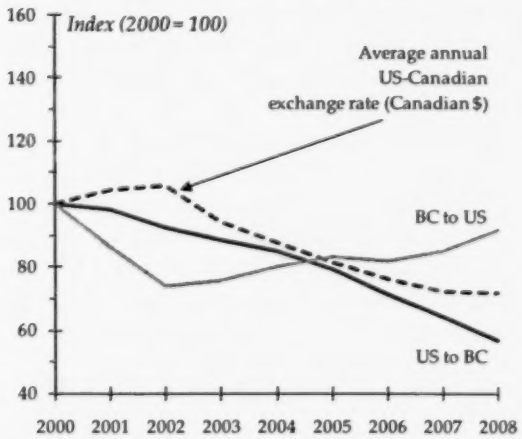
Since 2000, overnight visits from the US and overseas have outpaced US same-day visits
Data Source: Statistics Canada

In fact, entries from the US have been deteriorating consistently for a number of years. The US-



Canadian exchange rate may be the deciding factor for Americans interested in visiting Canada, and ultimately investing in BC. As the loonie strengthens against the greenback, an increased number of BC residents travel down south while US visitors hang back.

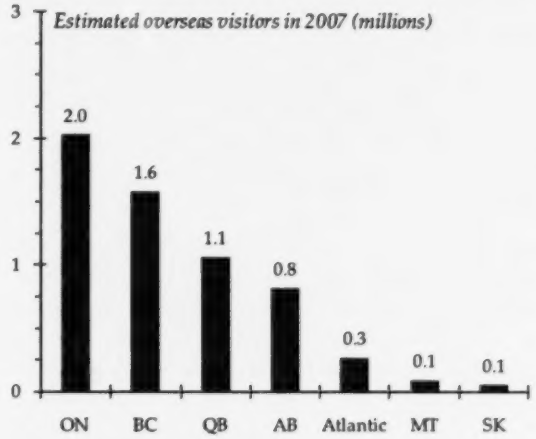
Loonie and greenback exchange rate has an influence on travel across BC and US border



Data Source: Statistics Canada
"BC to US" & "US to BC" represents total cross-border vehicle counts

Spending habits of overseas visitors is a different story. Although fewer (1.6 million; 27% of international visits nationally) residents of countries other than the US visited BC in 2007 compared to Americans, they spent about the same amount ($1.8 billion).

BC hosted 27% of national overseas visits in 2007

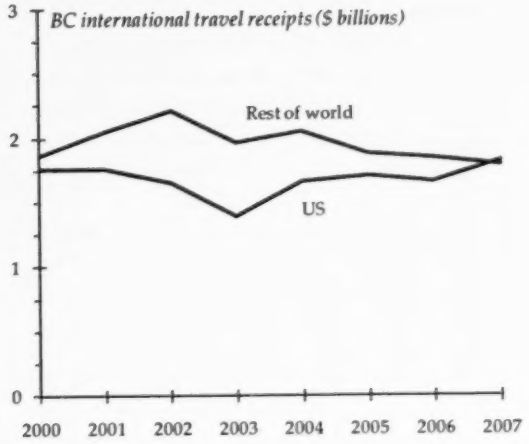


Data Source: Statistics Canada

The reason for this higher spending-per-person compared to US residents could be that travellers from further abroad are more reluctant to merely *globe-trot* from one region to the next. Instead, they try to lengthen their stay, experiencing more of a holiday destination's ambiance, and consequently also spend more.

On average, every overseas visitor doled out $1,164, spending two weeks (13 nights) per visit. Despite this lengthy average visit, three-in-four people stayed fewer than 13 nights.

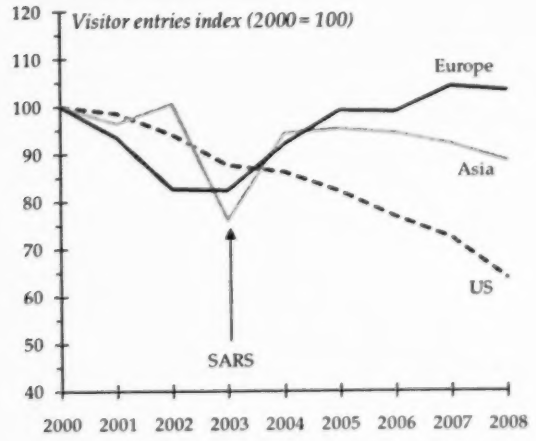
Visitors to BC from the US spend about the same as visitors from the rest of the world



Data Source: Statistics Canada

Visitors predominantly came from Europe (43%) and Asia (38%).

Visits from Europe & Asia have not dropped as much as those from the US



Data Source: Statistics Canada

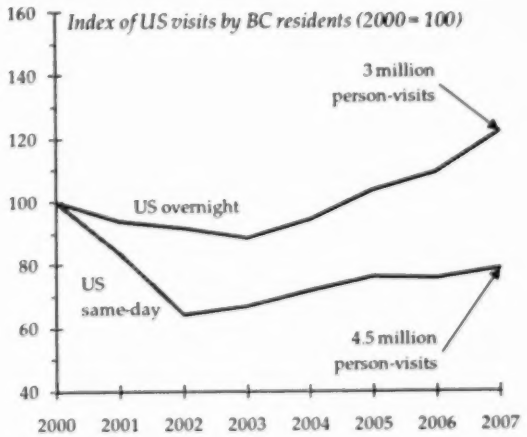
BC's international travel payments

On the "local" front, three in every five British Columbians travelling to the US returned the same day, and spent an estimated total of $400 million in 2007. The average spending per person was $89, compared to a splurge of $543 per person that stayed for one or more nights (six nights on average). The national average spending was $84 per person for same-day visits, and $650 for overnight stays in 2007.

Two-thirds of visits to the US by British Columbians included Pacific US, compared to only 4% that visited the sun destination of Hawaii, and 2% that ventured into Alaska. Cruise travel by residents saw a slight downtick (8% in 2007, down from 9% in 2006).

Since 2000 travel to the US by BC residents has changed substantially. While same-day visits have declined (-21%), longer excursions of one or more nights have picked up (+22%).

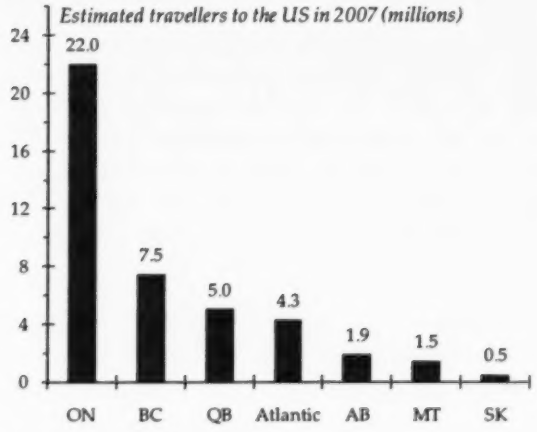
More British Columbians prefer longer visits to the US than same-day trips



Data Source: Statistics Canada

In 2007, however, Ontarians made three visits to the US for every cross-border trip by British Columbians.

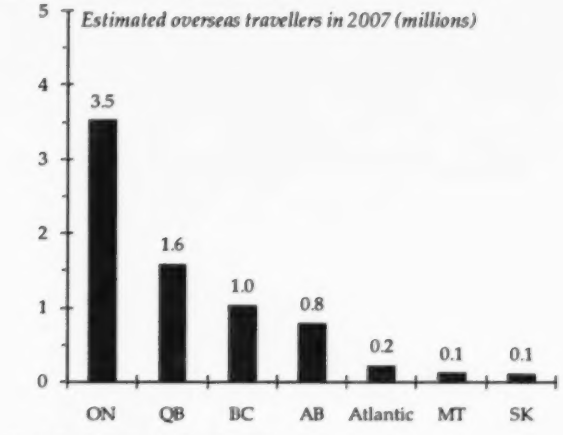
52% of Canadians travelling to the US in 2007 came from Ontario; BC held a share of 18%



Data Source: Statistics Canada

Trips by British Columbians further abroad also show an increasing trend. Compared to 2000, 33% more residents travel the globe outside the US, and spend roughly 42% more.

Almost every second Canadian (48%) travelling abroad resides in Ontario

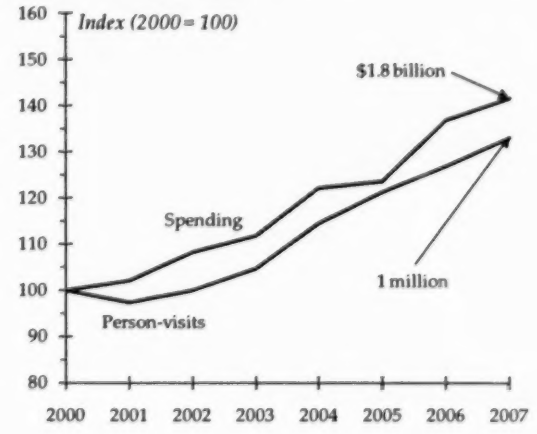


Data Source: Statistics Canada

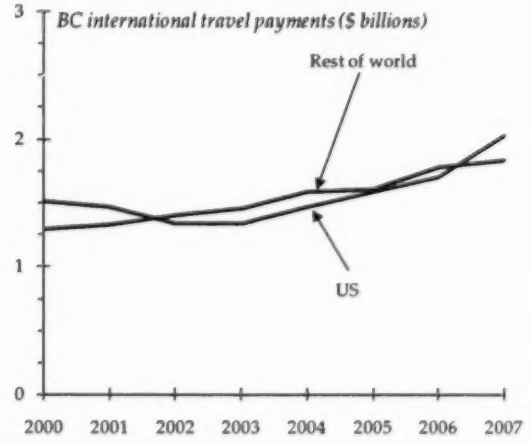
Whether it is travel to the US or overseas, the largest share of BC residents that travel (22% in 2007) are aged 55 to 64 years. Age groups 65 and over (20%) and 45 to 54 years (19%) make up another large portion of residents who travel. Only 4% of BC residents aged 20 to 24 ventured outside Canada's borders in 2007.

More BC residents are travelling abroad

Data Source: Statistics Canada



Increasingly more money has been spent during international travels by BC residents

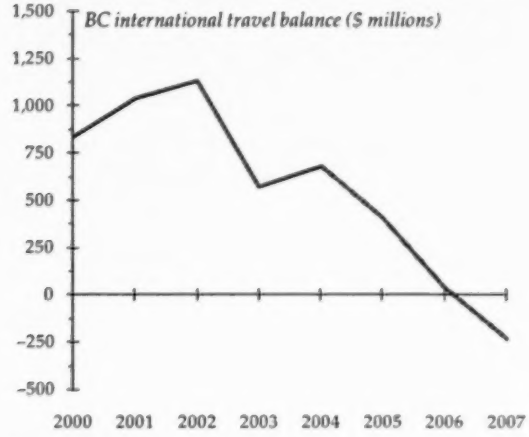


Data Source: Statistics Canada

BC's international travel balance

Since 2000, BC's piggy bank has always had something in it. However, 2007 was the first year that it "went into overdraft." Bluntly put, more money was spent outside the province by residents than what is spent by non-residents entering BC in 2007.

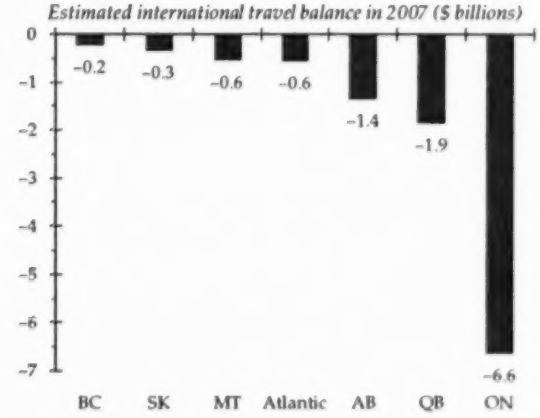
Although international travel receipts remain flat, international payments have increased since 2000



Data Source: Statistics Canada

Other provinces hold similar attributes in terms of their international travel balances.

In 2007, BC carried $232 million of Canada's international travel deficit

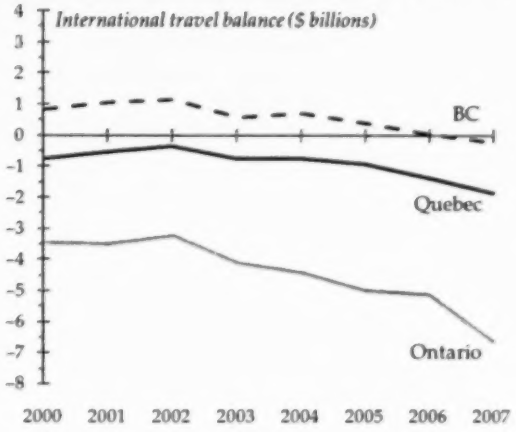


Data Source: Statistics Canada

2000-2007 provincial and national comparisons

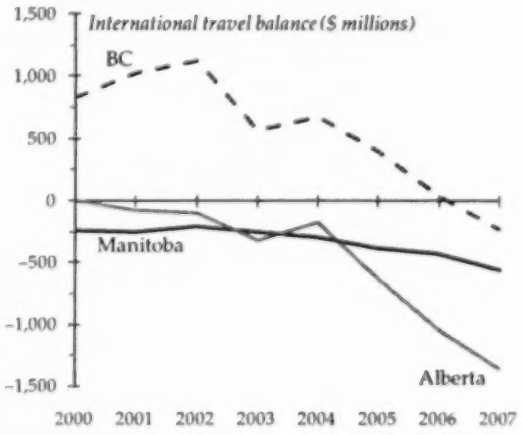
BC has a higher international travel balance compared to all other provinces in Canada.

BC is better off in terms of its international travel balance, compared to Ontario & Quebec...



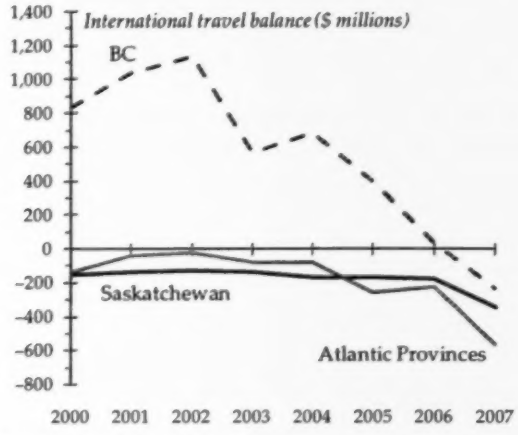
Data Source: Statistics Canada

...Manitoba & Alberta...



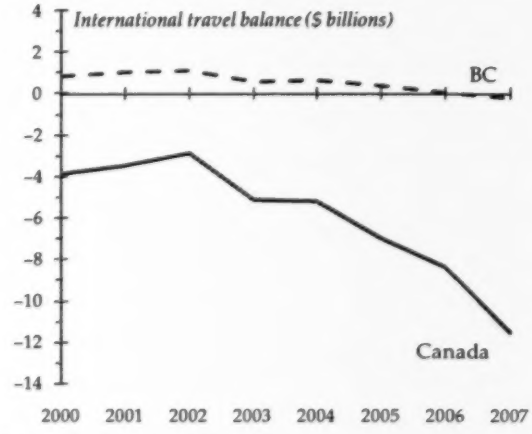
Data Source: Statistics Canada

...and Saskatchewan & the Atlantic Provinces.



Data Source: Statistics Canada

Canada is steadily dropping further behind on its international travel balance



Data Source: Statistics Canada

Infoline

November 20, 2009
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also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Jul1/2009	% change on one year ago
BC	4,455.2	1.6
Canada	33,739.9	1.2
GDP and INCOME (Revised Nov 9)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Sep	2,721	2.1
Merchandise Exports - Sep	1,896	-2.8
Retail Sales - Aug	4,437	0.8
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Oct 2009)	one year ago	% change
BC	-0.6	0.2
Vancouver	-0.6	0.3
Victoria	-0.5	0.3
Canada	0.1	0.4
LABOUR FORCE (thousands)		
(seasonally adjusted)	Oct '09	% change on prev. month
Labour Force - BC	2,461	0.3
Employed - BC	2,257	-0.6
Unemployed - BC	204	11.4
		Sep '09
Unemployment Rate - BC *(percent)*	8.3	7.4
Unemployment Rate - Canada *(percent)*	8.6	8.4
INTEREST RATES (percent)	Nov 18/2009	Nov 19/2008
Prime Business Rate	2.25	4.00
Conventional Mortgages - 1 year	3.80	6.35
- 5 year	5.84	7.20
US-CANADA EXCHANGE RATE	Nov 18/2009	Nov 19/2008
(avg. noon spot rate) Cdn $ per US $	1.0500	1.2370
(closing rate) US $ per Cdn $	0.9483	0.7983
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Oct '09	% change on one year ago
BC	808.81	1.7
Canada	815.58	2.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Population Highlights - NEW

Population Highlights is a new BC Stats periodical that replaces both Migration Highlights and Immigration Highlights. This release provides detailed current information on population flows between British Columbia and other provinces/territories and the rest of the world, as well as other components of population change. Also, a feature article provides additional analysis on a topic of interest related to migration or immigration issues.

www.bcstats.gov.bc.ca/pubs/pr_pop.asp

Small Business Profile 2009

The 2009 Edition of the annual profile of small business in British Columbia is now available. The report provides information on British Columbia's small businesses, including number of businesses, employment and small business' contribution to the provincial economy.

www.bcstats.gov.bc.ca/data/bus_stat/busind/sm_bus.asp#sbp

Population & Household Projections

The latest British Columbia population projections (PEOPLE 34) are now available. BC Stats produces population and household projections for British Columbia and for a number of sub-provincial geographies in the province, including: Development Regions, Regional Districts, Health Authorities, Health Service Delivery Areas, Local Health Areas, College Regions, School Districts, and six Special Regions.

www.bcstats.gov.bc.ca/data/pop/pop/popproj.asp

Released this week by BC Stats

- Exports, September 2009
- Consumer Price Index, October 2009

Next week

- Business Indicators, November 2009
- Current Statistics, November 2009
- Quarterly Regional Statistics, 3rd Quarter 2009

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